

Message Text

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ACTION EUR-12

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EB-07 FRB-01 INR-07 NSAE-00 CIEP-02 SP-02 STR-04
TRSE-00 LAB-04 SIL-01 OMB-01 H-02 AGRE-00 PA-02 PRS-01
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TO SECSTATE WASHDC 2754

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TAGS:EEC,US,ETRD

SUBJECT: EUROPEAN PARLIAMENT DEBATES US-EC TRADE RELATIONS

REF: EC BRUSSELS 171

1.SUMMARY: AFTER A HARMONIOUS HOUR'S DISCUSSION OF THE
COUSTE REPORT (REFTEL)IN A LIGHTLY ATTENDED CHAMBER
JANUARY 11, THE EUROPEAN PARLIAMENT UNANIMOUSLY ADOPTED THE
RESOLUTION WHOSE ESSENCE WAS SUMMARIZED IN PARA 3 REFTEL.

2.IN REPLYING TO THE DEBATE BEFORE PASSAGE OF THE RESOLU-
TION,EC COMMISSION VICE PRESIDENT HAFERKAMP (EXTERNAL
RELATIONS): (1) DESCRIBED THE COUSTE REPORT AS A "FIRST
CLASS STATEMENT" OF EC-US RELATIONS AND SAID THE COMMIS-
SION ENDORSED THE RESOLUTION " TO A CONSIDERABLE EXTENT,
SINCE IT IS CLOSE TO COMMISSION VIEWS"; (2)AGREED WITH
OTHER SPEAKERS THAT THE US-EC RELATIONSHIP OCCUPIES A
"CENTRAL PLACE"IN THE EC'S EXTERNAL RELATIONS; (3)RE-
CALLED APPROVINGLY FORMER COMMISSIONER SOMAES' RECENT
COMMENTS THAT US-EC RELATIONS HAVE RECENTLY SHOWH
STEADY IMPROVEMENT; (4)ACKNOWLEDGED THAT PROBLEMS
WILL INEVITABLY CONTINUE TO ARISE,PARTICULARLY IN
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TRADE RELATIONS,BETWEEN THESE TWO ECONOMIC GIANTS
AND THAT THE TWO SIDES MUST ADDRESS SUCH PROBLEMS
FRANKKLY AND HONESTLY; (5)SECONDED THE MPS APPRE-
CIATION FOR PRESIDENT-ELECT CARTER'S EMPHASIS ON
US RELATIONS WITH EUROPE AND HIS PROMISE THAT HIS
ADMINISTRATION INTENDS TO DEAL WITH THE COMMUNITY
AS A COMMUNITY; AND (6)INFORMED THE HOUSE THAT AT

THE BEGINNING OF HIS EUROPEAN-JAPAN TRIP, VICE
PRESIDENT MONDALE WILL CALL ON THE EC COMMISSION.
END SUMMARY.

3. IN A SPEECH PRESENTING HIS REPORT TO PARLIAMENT
COUSTE BROKE NO NEW GROUND, ADHERING CLOSELY TO
THE LANGUAGE OF THE REPORT (PARA 1 REFTEL). HE
SAID THAT CONSIDERING PRESSURES EXERTED BY THE
PRIVATE SECTOR, THE PRESENT US ADMINISTRATION HAS
NOT BEEN OVERLY PROTECTIONIST. HE FELT, HOWEVER,
LIKE ALL OTHER MPS WHO SPOKE, THAT SOMETHING MUST
BE DONE TO RECTIFY THE US-EC TRADE IMBALANCE AND
SUGGESTED THAT THE SIMULTANEOUS ADVENT OF A NEW
US ADMINISTRATION AND A NEW EC COMMISSION GIVES
THE TWO SIDES A GOLDEN OPPORTUNITY TO ADDRESS THIS MATTER
ANEW.

4. OTHER RIGHT AND CENTER RIGHT SPOKESMEN WERE
SHARPER THAN COUSTE IN THEIR COMMENTS, ALTHOUGH THEY
ENDORSED THE RESOLUTION AND AGREED WITH COUSTE THAT
US-EC RELATIONS HAVE MUTUALLY IMPORTANT IMPLICATIONS
ACROSS A BROAD RANGE OF POLITICAL, SECURITY, AND
HUMAN CONCERNS GOING BEYOND THE FIELDS OF TRADE AND
ECONOMICS. MARTINELLI (CHRISTIAN DEMOCRAT, ITALY)
CASTIGATED THE US TRADE ACT OF 1974 AND CHARGED THAT
IN ITS ANTI-DUMPING ACTIONS AND IN ITS APPROACH TO
THE TOKYO ROUND THE USG HAS IN FACT BEEN UNDULY
PROTECTIONIST. HE HOPED THE CARTER ADMINISTRATION
WOULD SHOW GREATER FLEXIBILITY IN TRADE MATTERS.
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SCOTT-HOPKINS (EUROPEAN CONSERVATIVE-UK), CHAIRMAN
OF PARLIAMENT'S AGRICULTURE COMMITTEE, CALLED THE
EC-US IMBALANCE IN AGRICULTURAL TRADE "INTOLERABLE"
AND SAID THE EC MUST TURN TO NEW SUPPLIERS FOR ITS
MASSIVE IMPORTS OF VEGETABLE OILS UNLESS US "SIG-
NIFICANTLY LIBERALIZES" ITS TRADE PRACTICES TO PERMIT
MORE EC EXPORTS TO US. HE ALSO THOUGHT EC IS BUYING TOO
MUCH US FEED GRAIN. IN INDUSTRIAL SIDE, SCOTT-HOPKINS SAID EC COMMISSION
SHOULD
PRES US FOR AMENDMENT TO TRADE ACT WHICH WOULD REQUIRE PROOF OF INJURY

BEFORE COUNTERVAILING DUTIES COULD BE APPLIED.
LABELING US OFFICIALS "TOUGH NEGOTIATORS WHO UNDER-
STANDALY LOOK AFTER US INTERESTS," SCOTT-HOPKINS
ALLEGED THAT EC HAS "EQUAL MUSCLE" AND MUST USE IT
IN NEGOTIATIONS WITH THE US.

5. SPOKESMEN FOR LEFTIST PARTIES WERE SURPRISINGLY
MILD IN THEIR COMMENTS ENDORSING COUSTE REPORT AND

THE ACCOMPANYING RESOLUTION.RADOUX (SOCIALIST, BELGIUM)NOTE THAT IN THE EC-US RELATIONSHIP EACH IS THE OTHER'S MOST IMPORTANT PARTNER AND BOTH SHOULD THEREFORE GIVE THE RELATIONSHIP TOP PRIORITY.LIKE OTHER SPEAKERS HE THOUGHT THE ADVENT OF THE NEW US ADMINISTRATION AND NEW EC COMMISSON PRESENT AN EXCELLENT OPPORTUNITY TO TAKE A NEW LOOK AT TRADE RELATIONS WITH A VIEW TO NARROWING THE PRESENT TRADE GAP.SPINELLI(COMMUNIST,ITAY),PURSUED LATTER THEME AND ALSO CHARGED THAT THE EC HAS BEEN REMISS IN NOT TAKING THOSE INTERNAL STEPS TOWARD ECONOMIC UNION WHICH WOULD DEVELOP THE COMMUNITY'S POTENTIAL AS A TRULY EQUAL PARTNER OF THE US.

6.THE RESOLUTION ADOPTED BY PARLIAMENT INSTRUCTS PARLIAMENT PRESIDENT TO FORWARD A COPY OF THE RESOLUTION AND THE COUSTE REPORT TO THE USG'S
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EXECUTIVE BRANCH AND TO CONGRESS.THE MISSION IS SENDING COPY OF EACH TO EUR/RPE.
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